

ENTERED

January 04, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:**CORE SCIENTIFIC, INC., et al.,****Debtors.¹**§
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§**Chapter 11****Case No. 22-90341 (DRJ)****(Jointly Administered)**

**ORDER AUTHORIZING REJECTION
OF EXECUTORY CONTRACTS WITH
CELSIUS MINING, LLC (Docket No. 189)**

Upon the motion, dated December 28, 2022 (the “**Motion**”),² of Core Scientific, Inc., and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order approving rejecting the Celsius Contracts, immediately effective and enforceable upon its entry, as more fully set forth in the Motion; and upon consideration of the Bros Rejection Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Court having found that 11 U.S.C § 362(a) does not prohibit rejection of the Celsius Contracts; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interest of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Pursuant to sections 365 and 105(a) of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006, the Celsius Contracts are deemed rejected effective immediately upon entry of this Order.
2. All Celsius rigs will be powered down effective January 3, 2023 and will not be restarted during the transition period.
3. Notwithstanding any provisions of the Celsius Contracts to the contrary, the Debtors will derack, palletize, and shrink wrap the Celsius rigs and load such pallets on trucks provided by Celsius, all at the Debtors' expense and using commercially reasonable industry standards, and the Debtors will keep Celsius apprised as to expected availability for pickup at each location. Business representatives from the Debtors and Celsius shall consult regarding the deracking process prior to commencing any deracking.
4. Upon reasonable advance notice by Celsius to the Debtors, the Debtors will allow a Celsius observer access to the Debtors' facilities for up to four hours a day during regular business hours with appropriate supervision by the Debtors to monitor the progress of the deracking and packaging process; it being understood that the Debtors will not be deracking during any specific time period.

5. Celsius will pick up its rigs as soon as practicable, with the transportation at Celsius' expense, and will consult with the Debtors on the schedule for pickups. In any event, all Celsius rigs will be picked up within 75 days of January 3, 2023.

6. The deadline for filing proofs of claims related to damages, if any, arising from the rejection of the Celsius Contracts shall be the later of the general bar date or thirty (30) days from this Order.

7. Nothing contained in the Motion, this Order, or any actions taken by the Debtors pursuant to the relief granted in this Order shall be construed as: (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law, (iii) a waiver or limitation of the Debtors' right to assert, at a later date, that the Celsius Contracts are not executory contracts, or (v) a concession or evidence that the Celsius Contracts have not expired, been terminated, or are otherwise currently not in full force and effect.

8. The requirements of Bankruptcy Rule 6004(a) are waived.

9. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all steps necessary or appropriate to carry out the relief granted in this Order.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: January 04, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE